

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA – GOA
B.COM. CBCS (SEMESTER - IV) EXAMINATION, APRIL 2019
INCOME TAX

Duration : 2 hours

Marks : 80

Instructions : 1) Q. 1 is compulsory.

2) Answer any three questions from Q.No. 2. to Q.No.6.

3) Figures to the right indicate maximum marks.

Q.1. Answer the following :

(4x5=20)

a. Flora is working at Mumbai as marketing manager of Signature Ltd.

The particulars of her salary are as follows :

- Basic salary – ` 22,000 p.m
- Dearness allowance – ` 12,000 p.m.
- Conveyance allowance – ` 10,000 pm
- Commission - 1% of the turnover achieved, turnover ` 32,00,000.
- HRA received - ` 30,000 p.m.

The actual rent paid by her is ` 20,000 p.m. for the accommodation, which is situated at Pune. Compute the taxable and exempt HRA.

b. Miss Sapna, an Indian Citizen, left India on 6.6.2010 for employment abroad. She did not come to India upto 2013-14. During 2014-15, 2015-16 and 2016-17 she visited India and stayed here for 189, 145 and 195 days respectively. In the previous year 2017-18, she stayed in India for 190 days. Determine her residential status for the assessment year 2018-19.

c. The following is the plant and machinery A/c in the books of Gaurav, for the year ended 31.3.18.

Date	Particulars	`	Date	Particulars	`
1.4.17	To balance b/d	6,00,000	28.3.18	By bank a/c (sale value)	2,90,000
31.7.17	To bank a/c (purchase)	1,50,000	31.3.18	By balance c/d	8,50,000
5.11.17	To bank a/c (purchase)	3,70,000			
28.3.18	To profit & loss a/c	20,000			
		11,40,000			11,40,000

Rate of depreciation applicable on the above block is 20%. Compute the depreciation admissible for the above block of asset, for the assessment year 2018-19.

d. Ashish, from Goa, went on a tour to Kerala with his wife Vidya, 18 year old daughter and Vidya's mother, who is dependent on her. He incurred the following expenses for the tour: Travelling expenses by train and back – ` 2,300 per head.

Sightseeing, lodging and boarding at Kerela – ` 8,600 per head.

His employer reimbursed him all the expenses of tour.

Determine the Leave travel concession exempt and taxable in the hands of Ashish.

Q.2) Raksha is working in the Income Tax Department, at Panaji, Goa. The following are the particulars of her salary during the previous year 2017-18:

(20)

- I. Basic salary ` 22,000 per month.
- II. Dearness allowance ` 6,000 per month.
- III. She took one month's basic salary in advance for her mother's 75th birthday celebrations.
- IV. Arrears of salary received ` 17,000.
- V. House rent allowance ` 2,000 p.m.(exempt ` 3,500).
- VI. Entertainment allowance received – ` 1,100 pm.
- VII. Children's education allowance received ` 1,800 p.m. each for two children.
- VIII. She is provided with a two wheeler, whose perquisite value shall be ` 18,000.
- IX. Employer has paid profession tax on her behalf ` 2,200.
- X. During october, she received ` 25,000 as leave travel allowance to go to Kashmir with family. Exemption in respect of LTC shall be allowable as per rules. She duly incurred ` 15,600 for travelling by train and the balance for lodging, boarding and sightseeing.
- XI. The employer declared that bonus ` 1,500 will be given during the year.
- XII. She declares that her taxable income from other sources shall be ` 11,000 only.
- XIII. She also made the following investments during the previous year :
 - a) Public Provident Fund ` 75,000.
 - b) NSC VIIIth issue – ` 80,000

Compute the net taxable income of Raksha and also calculate her tax liability, for the assessment year 2018-19.

Q. 3) Bharat is a Doctor and Medical Practitioner. His summarised Receipts and Payments Account for the year ended 31.3.18 is as follows

(20)

Receipts	`	Payments	`
To balance b/d	2,24,000	By purchase of medicines	48,000
To consultation fees	15,90,000	By purchase of surgical equipments	5,00,000
To sale of medicines	78,900	By motor car expenses	34,700
To visiting fees	24,100	By donation to Ponda Cricket Club	5,000
To rent from house property	18,100	By salaries to staff	2,96,000
To operation theatre rent	1,20,000	By rent of clinic	24,000
To gifts from patients	7,200	By life insurance premium(self)	30,000
		By subscription to medical journals	6,500
		By income tax paid	28,000
		By mediclaim (self and wife)	22,000
		By medical association membership	6,000
		By balance c/d	10,62,100
	20,62,300		20,62,300

Additional information :

1. Depreciation on surgical equipments shall be charged @ 10% p.a.

2. The rent of the clinic includes rent ` 8,000, paid to brother, which was considered as unreasonable by the assessing officer.

Compute net taxable income and the tax liability of Dr. Bharat for the assessment year 2018-19.

Pg 3 of 3

Q.4) Write Short Notes on the following (**Any Four**): (4x5=20)

- a. Permanent Account Number u/s 139A.
- b. Exemptions and exclusions u/s 10.
- c. Allowances received by a salaried assessee.
- d. General deduction u/s 37 in case of business income.
- e. Deduction from Gross Total Income u/s 80D.

Q.5) Answer the following questions (**Any Four**). (4x5=20)

- a) Explain the term 'Person' as defined u/s 2(31).
- b) What are perquisites? Give any three examples.
- c) What are the deductions available u/s 16? Explain in brief.
- d) Explain the provisions applicable u/s 44AD.
- e) Briefly explain the rebate available to an assessee u/s 87A.

Q.6) Answer the following questions (**Any Four**) : (4x5=20)

- a) Explain in brief any three special allowances u/s 10(14).
- b) Illustrate, in brief, some of the retirement benefits.
- c) What are the provisions of section 43B?
- d) State the provisions of the deduction available to an assessee with disability.
- e) Explain the deduction available in case of interest on loan taken for higher education.

-----XXXXXX-----